

ADVISORY TO NEWS CORRESPONDENTS

December 2, 1971

PRESIDENT NIXON IS UNFOLDING A PROGRAM WHICH ULTIMATELY WILL
BRING ABOUT A MORE EFFECTIVE WORKING RELATIONSHIP
BETWEEN BUSINESS AND GOVERNMENT - - - - AND TODAY
MEANS BETTER MANAGEMENT IN THE BUREAUCRACY

The caption above does not refer to "Phase II" or the Office of Management and Budget. It is about the President's Commission on Personnel Interchange. Among the many beliefs that President Nixon brought to office in 1969 was that business and Government should work more effectively together for the good of the Nation. He knew, too, that getting programs planned and implemented did not require a larger bureaucracy. He intended to upgrade management in Government.

One of his actions has gone virtually unnoticed during its concept testing stage. In September 1969, he appointed a group of well-known businessmen including Willard F. Rockwell of North American Rockwell, Robert Anderson of Atlantic Richfield, Herman Weiss of General Electric, W. P. Gullander of NAM, and David Mahoney of Norton Simon, Inc., and several of his high-level appointees such as David Packard, William Rehnquist and Robert Hampton to a Commission to develop a management exchange program between business and the Federal government.

In 1970, a handful of company Presidents were invited to nominate one of their young very high-potential managers for a challenging one year to eighteen months work assignment in Federal government. Cabinet Secretaries were asked to nominate a very high-potential career Government manager who would go into industry for the same amount of time.

In August 1970, nineteen future business leaders and eleven of their counterparts in Government took leaves from their organizations and assumed tough work assignments in the opposite sector. The company men were from organizations known for their modern management techniques and executive development planning. They included General Electric, IBM, Mobil Oil, AT&T, American Airlines, Owens-Illinois, TRW, Cummins Engine, Motorola, Humble Oil and McKinsey and Company. The young executives took assignments in various departments - with the greatest number going into arenas which interested them - working on domestic programs in HUD, EPA, Transportation, and Commerce.

Most of these executives have recently returned to their sponsoring organizations. There are numerous examples of those from industry bringing to the Government their drive, management know-how, and objectivity.

Many made outstanding contributions to Government and proved themselves so capable that they undoubtedly will be called upon later in their careers for high appointive posts and advisory boards. The high-potential Government managers also performed well in business in such diverse areas as operations research, purchasing, social responsibility accounting, and even new product planning.

During the course of the year, the Presidential Interchange Executives met privately and in groups with Government leaders for off-the-record briefings. They learned and they contributed.

Without exception the young managers (average age 33) believe they now possess a better understanding of how business and Government can plan, cooperate and work together in the future. They bring these ideas and

experiences back to their organizations. As they assume larger leadership roles, effective dialogue and action between their organization and Government will also grow. They return as more fully developed executives better able to cope with demands that face our nation.

Several weeks ago, a second group of 24 future Corporate officials arrived in Washington for their assignments and eight joined the business world from Government.

President Nixon has shown that the Management Interchange concept can work. He plans more executive interchange. The "Pilot Phase" is over. The White House recently appointed 36-year old Joseph T. McCullen, Jr., a partner in a leading New York-based consulting firm and an expert in the fields of organization planning and manager development, as Executive Director of the Commission. The Commission will at least double the number of executive participants in 1972, bringing the three-year total to about 130.

The days of business and Government working separately are over. What this as yet little-known Commission has done is a drop in the ocean. But who knows, if the interchange process had started years ago, perhaps we would not have had to have a "Phase II".

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PROFILE OF THE PRESIDENTIAL INTERCHANGE EXECUTIVES

(1971)

- Nominated by their Company President, or if a Federal Government employee, nominated by a Cabinet Officer.
- All rated as very high-potential executives.
- Average age 33.
- 80% possess graduate degrees.
- Average base compensation, those from Industry: \$28,000.
- Average base compensation, those from Government: \$25,300.
- Functional experience - Executives from Industry:
 - General Management
 - Product Management
 - International Operations
 - Finance
 - Corporate Planning
 - Operations Research
 - Public Relations and Affairs
 - Personnel
 - Project Management
 - Engineering Management
- Functional experience - Executives from Government:
 - Operations Research
 - Purchasing Management
 - Program Management
 - Industry Analysis
 - Urban Development Planning
 - Economic Planning

- Some of the Government Jobs Taken for 1 Year by Industry Executives

Comptroller Bureau of International Commerce	Associate Director of Marketing U. S. Postal Service
Project Officer Urban Mass Transit Administration Department of Transportation	Special Assistant Domestic Programs Office of Management and Budget
Program Manager Environmental Protection Agency	Audit Manager General Accounting Office
General Attorney Department of Transportation	Management Analyst Department of State
Project Manager Civil Aviation Research and Development Policy Study Department of Transportation	Special Assistant to the Director of Evaluation Department of Housing and Urban Development
Special Assistant to the Assistant Secretary Department of the Treasury	Executive Assistant to the Assistant Secretary Department of Commerce
Management Systems Officer Department of Housing and Urban Development	Special Assistant Space Council Executive Office of the President

- Some of the Industry Jobs Taken For 1 Year by Government Executives

Planning Manager Westinghouse Electric	Management Systems Advisor IBM World Trade
Senior Planner American Airlines	Plans Advisor Cummins Engine Company
Executive Advisor to the Vice President, Systems Engineering North American Rockwell	Executive Assistant to the Vice President of Purchasing Consolidated Edison Company
New Products Manager Mobil Oil Corporation	Senior Economic Specialist Humble Oil and Refining Company
Staff Assistant to the Vice President, Operations Norton Simon, Inc.	Manager, Management Sciences Research American Telephone and Telegraph Company
Senior Advisor, Computer Sciences Standard Oil of California	Special Assistant to the Vice President, Operations Atchison, Topeka and Santa Fe Railway

- Companies Participating in the President's Exchange Program during 1970 and 1971

American Airlines, Inc.	IBM
American Standard Inc.	Lockheed Aircraft Corporation
American Telephone & Telegraph Company	Ling Temco Vought Inc.
Atchison, Topeka & Santa Fe Railway	McDonnell Douglas Corporation
Atlantic Richfield Company	McKinsey & Company
AVCO Corporation	Mead Corporation
Bank of America National Trust & Savings Association	Mobil Oil Corporation
Bendix Corporation	Motorola, Inc.
Computer Congenerics	North American Rockwell Corporation
Consolidated Edison Company of New York, Inc.	Norton Simon, Inc.
Cummins Engine Company, Inc.	Owens-Illinois, Inc.
General Electric Company	Standard Oil Company of California
General Telephone and Electronics Corporation	Standard Oil Company (New Jersey)
	State Street Bank and Trust Company
	Syntex Corporation
	TRW Inc.
	Westinghouse Electric Corporation

- Government Agencies Participating in the President's Exchange Program during 1970 and 1971

Civil Service Commission	National Aeronautics and Space Administration
Commerce, Department of	National Aeronautics and Space Council
Defense, Department of	Office of Economic Opportunity
Environmental Protection Agency	Office of Management and Budget
General Accounting Office	Postal Service, U. S.
General Services Administration	State, Department of
Housing and Urban Development, Department of	Transportation, Department of
Information Agency, U. S.	Treasury, Department of
Interior, Department of	Veterans Administration
Labor, Department of	

NOMINATIONS OF HIGH POTENTIAL EXECUTIVES AND/OR JOB ASSIGNMENTS WILL BE ACCEPTED BETWEEN JANUARY AND MARCH 1972, FOR THE PROGRAM BEGINNING IN THE SUMMER OF 1972.

FOR FURTHER INFORMATION CONTACT: Executive Director, President's Commission on Personnel Interchange, 1900 E Street, N. W., Washington, D. C. 20415 - or - Telephone (202) 632-6834.

MANAGEMENT

Middle managers swap jobs

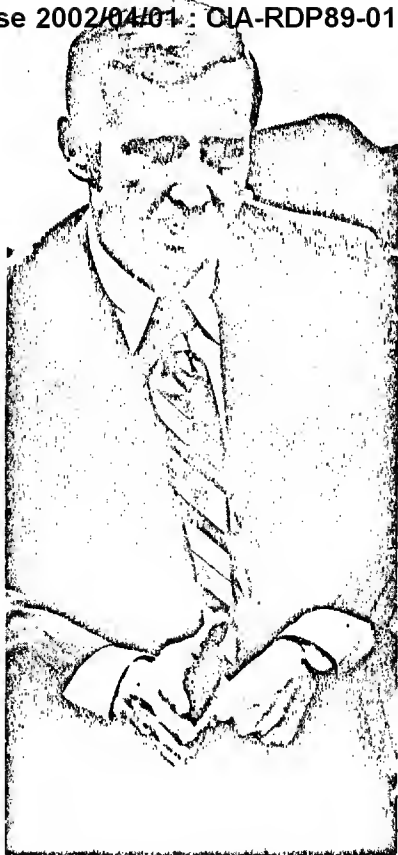
Bureaucrats and businessmen don each other's hats to learn how the other half works

Thomas J. O'Brien, a noise abatement program manager for the Federal Aviation Administration in Washington, D.C., made a temporary career change last year. For 12 months he worked for Mobil Oil Corp. in New York as a product line manager, handling everything from research to marketing of synthetic turbine oils, fire-resistant hydraulic fluids, and aviation piston oil. Now O'Brien, who is 39, is back with the FAA on a new job in systems and research development.

O'Brien was one of a handful of participants in the Executive Interchange program, a federal experiment that taps promising executives from government and business for one- to two-year assignments in the opposite sector. The program, now moving quietly into its second year, represents the Nixon Administration's effort to build better understanding by bureaucrats and businessmen of each other's managerial problems. Because it "hits an area where most programs like this have not hit—management positions," says Brian W. Rapp, a McKinsey & Co. consultant who went to a State Dept. post in the pilot project, "the interchange has tremendous value."

Slow start. Despite such endorsements, the program, which is supervised by the President's Commission on Personnel Interchange, a panel of business and government officials, remains small and virtually unknown. The modest size—30 participants last year and 43 this year—reflects the difficulty of recruiting management talent from companies squeezed by the recession, and, more recently, from a federal bureaucracy limited by the President's economic freeze. These factors worry Commission Executive Director Joseph T. McCullen, Jr., a 36-year-old consultant on leave from Spencer Stuart & Associates, a New York-based executive recruiting firm. "If the program stays at the same level it is now," McCullen broods, "it's doomed."

The Administration clearly would like to see the program flourish. Says White House Aide Frederic V. Malek,



McCullen: now a government recruiter.

executive branch liaison to the project: "This really fits very well with the President's philosophy. He believes that the spirit of business can make a greater contribution to government."

It is also hoped that interchange alumni will provide government personnel headhunters with a talent pool that can be tapped for government service in later years. "These are future company presidents," says McCullen, "and, we hope, future Cabinet secretaries too."

How it works. A group of 31 companies, including American Airlines, Atlantic Richfield, AT&T, Mobil Oil, Motorola, Bendix, Owens-Illinois, and Consolidated Edison are participating. The companies nominate promising executives for an interchange slot and, in turn, agree to make jobs available for incoming government officials.

Under the personnel swapping program, a North American Rockwell executive who had helped prepare the B-1 bomber proposal was assigned to the Office of Management & Budget where he developed a performance measurement system to assess various government social programs. A Bendix Aerospace Systems engineer worked in the Transportation Dept. on a tracked, air-cushion vehicle for mass transit.

On the government side, the Postal Service's director of systems analysis is working for AT&T as manager of management science research. A model

cities program coordinator from the Housing & Urban Development Dept. is developing criteria for Norton Simon, Inc. on social responsibility and the impact on corporate decisions.

The men who take part in the program, according to McCullen, are "high-talent, high-potential people," usually executives from 25 to 40 who are earning \$15,000 to \$30,000 a year. They are put on the payroll of their temporary employer during their tours of duty. But relocation costs are borne by the man's permanent employer.

Eye-opener. Most veterans of the 1970 project say that the switch is well worth the trouble, despite the dislocation caused by the temporary move. O'Brien, for example, says: "It was worthwhile from a standpoint of personal development. As far as my career goes, it's too early to tell. I think the payoff will come."

"I had some stereotyped impressions of government employees," confesses Michael L. Frankel, 34, a senior engineer for TRW, Inc., who has extended his assignment with the Environmental Protection Agency another year. "You know, the eight-to-five, lunch-pail type. But when I came here I found myself working late into the night with my fellow employees." Frankel, a water and air pollution expert, now plans EPA environmental activities. "I had never considered a government career," he says, "but if you asked me now, I'd say yes. Government is doing most of the exciting work in my field."

Reentry problems. The class of 1970 has some advice for the new crop of interchange executives: Keep in touch with your company. Some of the program's early participants did not, and after a year found that the corporate seas did not part upon their return. "We came into this program thinking our parent corporations were going to follow our progress for a year," recalls TRW's Frankel. "Corporations just aren't that paternal. You've got to sell them on your skills when you come back—or to another company."

The reentry problem is not limited to the business side. A government participant in last year's group notes that "one fellow went back and was placed in exactly the same job he held when he left, and he was working for a guy who formerly worked under him."

McCullen is aware that the problem exists, and the current interchange group is keeping much closer touch with home base as a result. But despite this problem and the project's low profile, McCullen is determined to expand the effort. "We will double participation next year," he says, promising a stiffer screening process as well. "We should get more government people into industry. I'd like to see some of these super-grades in the program." ■

Learn From Each Other



EXECUTIVES — Joseph McCullen (seated), a consultant from a New York-based firm is executive director of the President's Commission on

Personnel Interchange. With him is James Kelly, one of the commission's executives at the Dept. of Labor. (UPI Telephoto)

By JUDY FRIE
WASHINGTON (UPI) —A group of hand-picked executives from government and industry is promoting the idea that better cooperation between businessmen and bureaucrats can be helpful to both.

They're part of a program that puts talented, high-potential people from one camp to work in the other to give them a knowledge of the problems and managerial techniques on the other side of the fence.

They come from 19 participating government agencies and 30 participating business organizations ranging from the State Department to American Airlines.

An aerospace engineer, for example, is working as a special Labor Department assistant charged with helping unemployed aerospace workers. A consultant from the government's model cities program is working on a "social audit" for a consumer products company

trying to improve its contribution to society.

Those taking part in the program range in age from 25 to 40 and earn from \$20,000 to \$30,000 a year. The hope is that they will be the nation's future cabinet members and corporation board chairmen.

Joseph McCullen, a consultant on leave from the New York-based firm of Spencer & Stuart Associates, is their den mother.

"We're looking for a caliber of

people who could be called back for a high post in the government," he explained. "On the industry side nominees must be seen as future corporate officers."

The "we" referred to the Presidential commission that appointed McCullen Executive Director of the Interchange Program.

The law setting up the program was signed by Lyndon B. Johnson on his last day in the presidency and its members were appointed by President Nixon soon after he became Chief Executive. Known officially as the President's Commission on Personnel Interchange, its members come from both business and government.

Among its 13 members are Assistant Attorney General (and Supreme Court nominee) William Rehnquist; David Packard, deputy secretary of defense; Robert Hampton, chairman of the Civil Service Commission; W.P. Gullander, president of the National Association of Manufacturers, and W.F. Rockwell, board chairman of North American Rockwell Corp. The chairman is David Mahoney, president of Norton Simon, Inc.

Their chief duty is to screen the nominees, who are tapped by their company president or federal agency head.

Once the choices are made, McCullen goes to work. He monitors the successes and failures of his charges and doesn't hesitate to "yank" someone who doesn't work out.

Most do. "The program has about an 85 per cent batting average right now," the 36-year-old McCullen said.

McCullen, naturally, is shooting for 100 per cent. He hopes executive participation can be doubled. He likewise wants more minority representation (two blacks are participating) and thinks women (none is involved) should and will be included.

He encourages participants to be candid about what's good and bad about the program and listens closely to the reactions of men such as James Kelly and Ronald Stegall.

Kelly, 33, is intense and articulate. He dots his sentences with questions: "Do you follow what I'm saying?" and "Am I making myself clear?"

He came to the Labor Department from the Rocketdyne Division of North American Rockwell Corp., where he was manager of the Engine-Vehicle integration segment of the space shuttle main engine program.

He is now a special assistant counseling labor's manpower administration on programs for assisting unemployed aerospace engineers, scientists and technicians.

Kelly said his exposure to the federal bureaucracy has "broken down the image of poorly managed government operations . . . people here (at labor) are highly motivated and highly talented and they face the same problems industry faces."

Kelly sees his present responsibilities as "both different and the same" as those at North American Rockwell.

"You're still managing people . . . the problems here are more complex. In the government the problem is something that cuts across several industries and often industry and government are at odds."

He also found that measuring progress is more difficult in Washington than in private industry where endeavors show up as profit or loss.

"In the government goals are generally larger than making a profit," Kelly said. "You're attempting to satisfy a public need. There is nothing in front of you that says you're half-way

there or a third of the way there."

While Kelly admires "the dedication and capability" of top bureaucrats in finding solutions to socio-economic problems, he thinks he's found some weak spots.

He feels the Civil Service system, because of its size, has spawned a "built-in protection" system that leads to a lack of incentive and "allows mediocrity to creep in."

He also thinks the government suffers from the lack of a "hard-driving informational campaign" about what it does for society.

"The government tendency," he observed, "is to hold a news conference, distribute press releases and assume everyone got the word."

Stegall, also 33, is reserved and thinks hard before replying to questions.

He spent "most of my working life" overseas until three years ago. He worked for the Agency for International Development in Afghanistan; Care, Inc., in Turkey and several feeding programs in India. He came to the model cities administration of the department of housing and urban development as a consultant.

His assignment sent him to Norton Simon, Inc., a New York-based consumer products company where he created his own position.

"I came back to this country with the belief that one of the most effective ways to meet its needs was to combine the capabilities of the public and private sectors," he said. "If America is going to solve her problems it's because of the things that government and business do together to each other's best interests . . ."

When he got to Norton Simon, the company bosses asked him what he wanted to do.

"I told them I wanted to do a social audit on the company." The firm's president told me to

go ahead and see what the company could do to upgrade its corporate responsibility.

As the months passed, Stegall said he found that industry "is foundering in a lack of social understanding" although he found "a great deal of concern in the business community about social issues." As a result, he said, the public would not "discount the desire or capability of business" in helping cure social ills.

Stegall disagrees with the business attitude that it is accountable and government is not. He said:

"I submit that business is reasonably accountable in the economic picture, but business also decides what to make, where to make it and who to hire. Like government, it operates as an education institution. It teaches values to workers and society—but it has never been as accountable as government."

Stegall lauded the interchange program because it "institutionalizes the concept that this kind of exchange in both sectors is important. Without it people become isolated and insulated against the real world.

"We need to get another perspective."

Carried by major newspapers across the nation.

From Businessman to Civil Servant—and Vice Versa

The government is borrowing executives from companies, and companies are borrowing executives from the government—and both sides seem to be profiting

Sometimes, in his rather austere quarters at the Department of Commerce, Timothy O'Shea must think back to London.

His office there was at No. 1 Regent St., a posh location in the generally fashionable West End.

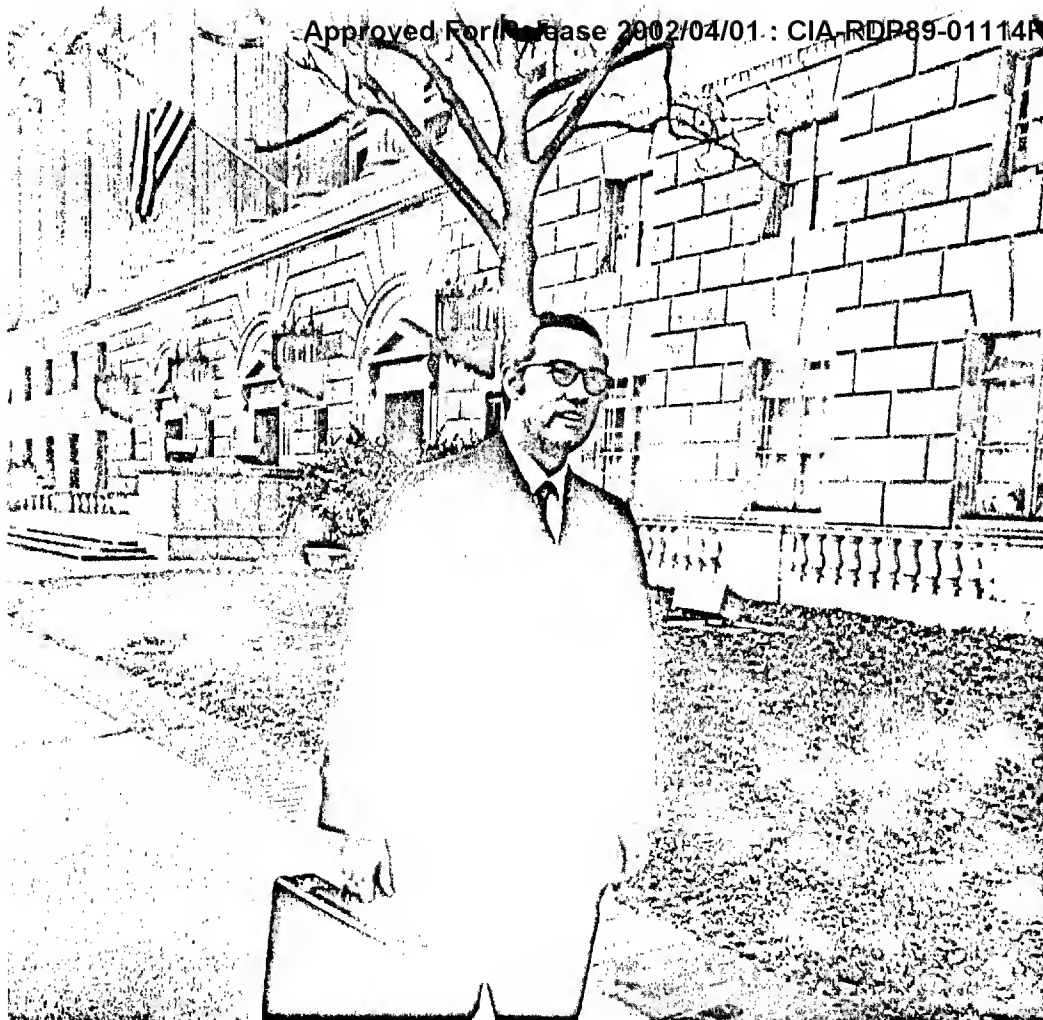
It was a short train ride from his home in Sunningdale to Waterloo Station. From there, a 15-minute walk brought him to his office, across the Thames, a little before 9 a.m.

"The British," he explains, "get off to a more leisurely start."

Now he rises earlier, hops in the car, heads for Highway 70-S and battles traffic in a 20-mile drive from his Gaithersburg, Md., home to downtown Washington. His responsibilities are comparable, he feels, but not the office accommodations.

He arrives in his office about 8:05 a.m. and will be there, except for lunch, until close to 7 p.m.

In London, he was European marketing director for a group of Westinghouse Electric Co. products. He agonized over problems like how to sell more U. S. picture tubes to West German makers of TV sets. In Washington, he works in the Commerce Department's Office of Program Analysis. His chief concern,



PHOTOS: LEROY WOODS

We just switch them around, says the executive director of the President's Commission on Personnel Interchange, Joseph McMullen Jr. (center). Result: Bright young executives from business and government get a



at the moment, is how to get more mileage out of the Department's 42 field offices.

Mr. O'Shea is one of 43 businessmen who have left their jobs for 12 to 18 months to work in the federal bureaucracy.

They're taking part in the Executive Interchange Program. Its goal is to bring two worlds that are often poles apart—business and government—closer together.

The program, which got under way less than two years ago, is a two-way street.

The other guy's troubles

It gives promising young business executives a taste of what life's like in the world of civil service. And it permits up-and-coming federal employees to sample the tribulations and triumphs of life in the corporate executive suite. So far, 16 government executives have made the switch to the payrolls of private enterprise.

Most of those in the program are in middle management—grades 14

to 16 for the government employees, and the \$25,000 to \$35,000 pay bracket for the business executives.

Both groups have found the 12-to-18-month stint an eye-opener.

Ronald Stegall, a coordinator in the Model Cities Administration, Department of Housing and Urban Development, now is in the Manhattan GHQ of Norton Simon, Inc.

"I've gained a fuller understanding," he says, "of the kind of constraints business has to face. And an awareness of the fact that it is not a monolith."

"There's a great diversity of attitudes in business, as in any other community."

Thomas O'Brien, a program manager at the Federal Aviation Administration, recently spent a year as a new products manager with Mobil Oil Corp.

"It gave me a better insight," he says, "into how business thinks and how limited it can be in responding to certain demands."

"For example, like an edict to stop

pollution. This might take two years, cost hundreds of millions of dollars and pose some tough problems on where to get the money."

Similarly, bright young men from the corporate aceries of Manhattan learned lots in the federal labyrinths.

One man's meat . . .

"It's quite difficult to get a big department or agency to move or make a decision," says John F. Flanagan, director of corporate plans, American Airlines, who spent a year with the Department of Transportation.

"It takes a lot of discussion, consultation and concurrences."

"From a business viewpoint, that's bad. We like to move faster."

"But from the government's point of view, that's good. Deliberation keeps it from possibly making a lot of bad decisions. And a government decision has a lot bigger impact on a lot more people than any decision we make in business."

As with Mr. O'Shea, Mr. Flanagan's

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in other's world's. At left: Timothy D. Shea, Westinghouse marketing man on loan to the Commerce Department. At right: HUD's Ronald Stegall, now at the headquarters of Norton Simon, Inc., in New York.



PHOTO: WERNER WOLFF—BLACK ST



tour of duty in Washington meant a lot of adjustments in his personal life and work habits.

"Before I came to the Department of Transportation," he says, "I was manager, operations planning, at American Airlines' headquarters in New York City.

"We were planning how to introduce the new 747's into service. That meant we had to look at everything. Passenger terminal facilities, ground equipment, food service, eaters, stewardesses, training pilots—the whole package.

"About 10 of us worked full-time on the project. We got help, of course, from others in the company whom we called on when their expert knowledge was needed.

"We had just wrapped this up when I went to the Department of Transportation for a year, under the Executive Interchange Program.

"Actually, I was sort of conditioned by the importance of mass transit by working in New York City.

"I lived in an old colonial home in

Mt. Vernon in Westchester County. Every day, I rode a commuter train to Grand Central Station, two blocks from our offices.

"When I was assigned to DOT, I was interested in seeing how the government approached the problem."

A variety of companies

More than 30 American business firms, big and small, are already taking part in the Interchange Program—lending some of their own promising executives to federal agencies and making room for federal managers in company executive slots.

The firms include, in addition to those already mentioned:

American Standard, Inc.; American Telephone & Telegraph Co.; Atchison, Topock & Santa Fe Railway Co.; Atlantic Richfield Co.; Avco Corp.; Bank of America; Bendix Corp.; Computer Congenerics; Consolidated Edison Co. of New York, Inc.; Cummins Engine Co., Inc.; General Electric Co.; General

Telephone & Electronics Corp.; International Business Machines Corp.; Lockheed Aircraft Corp.; Ling-Temco-Vought, Inc.; McDonnell Douglas Corp.; McKinsey & Co.; Mead Corp.; Motorola, Inc.; North American Rockwell Corp.; Owens-Illinois, Inc.; Standard Oil Co. of California; Standard Oil Co. (New Jersey); State Street Bank & Trust Co.; Syntex Corp.; Teledyne, Inc.; and TRW, Inc.

"The goal of the program was summed up well by President Nixon," says Joseph T. McCullen Jr., recently named executive director, President's Commission on Personnel Interchange.

"He said that constructive cooperation between government and business can result in more imaginative and effective measures to achieve our goals. That's what it's all about."

Here are some of the solid achievements the program can boast of already:

• The Federal Aviation Administration spends some \$13 million a year to inspect air navigation aids. It now

has a practical plan to cut costs by replacing the old DC-3's and T-29's it uses with half as many smaller, executive jets.

Annual savings are estimated at \$7.7 million a year. The plan was prepared under direction of an airline executive whom FAA acquired through the Interchange Program.

- More than 6,000 U. S. business firms have asked how they could help improve our balance of payments by joining the ranks of exporters. "Tell us more," they said in effect, "about how we can sell abroad."

The queries resulted from an aggressive domestic information program launched by the Commerce Department's Bureau of International Commerce. It was the brainchild of a marketing executive who came to the Department under the Interchange Program.

- Four of the nation's largest airports are so swamped with traffic that Washington has had to clamp a ceiling on landings and takeoffs. By 1980, unless the crisis is solved, all 30 of the airports that handle 80 per cent of our air traffic will be in the same boat.

But a study, prepared for the Department of Transportation and the National Aeronautics and Space Administration, has a solution. It took a task force of DOT and NASA staffers, plus outside experts, nearly five months to prepare the blueprint for expansion and changes in techniques.

If it is implemented, by legislation and executive action, the nightmare of 1980 will be averted.

Once more, a business executive brought into government through the Interchange Program played the key role in the rescue operation. Says David A. Lehman, then on loan to DOT from IBM:

"I was brought in to look at the problem of civil aviation to the year 2000 A.D. It involved a lot of factors. Like what kind of research and development might have to be done to bring us out of the transportation crisis. What kind of legislation do we need? What can industry do? What benefits would accrue to the nation?"

"The result was the CARD study. CARD standing for Civil Aviation Research and Development. It has

been approved by DOT and NASA and looks like it is on the tracks."

Mr. Lehman, who is executive assistant to one of IBM's top managers, has decided that the over-all long-range value of the Interchange Program may far exceed that of the help it has given in solving specific problems.

The most lasting benefit, he feels, may come from improving the relations between those two sometime antagonists—business and government. Other Interchange Program executives share that view.

They agree that the two chief differences between the world of government and the world of business involve the pace at which things happen and the way performance is measured.

Faster footwork

Business has faster footwork, says the FAA's Mr. O'Brien. "Industry seems to be leaner in staff," he adds, "and less encumbered with paper work. It also tends to be a little more flexible in funding. Business can move money more quickly to areas or activities that promise a better return."

As for gauging success or the lack of it, Mr. O'Brien says:

"One of the main fallouts to government is that we will have to develop standards to measure performance or efficiency, and techniques to improve performance."

Business, executives point out, has one handy yardstick that is not available to government—the profit and loss statement.

"However," says HUD's Mr. Stegall, "I don't think business has as clear and simple a goal as the bottom line on the profit and loss statement."

"For example, the company has long-range goals that a year's profit and loss statement won't reflect. Also, the P/L statement doesn't reflect profit that could have been made—but wasn't. Management may have made a lot of mistakes that don't show up in the profit and loss figures."

"So they're not a true measure of performance."

"If the figures are good over a long span, say 50 years, then they would truly reflect performance. But in the

short run, they may or may not be an accurate index."

Business executives tend to take a somewhat different tack than the government executives do on performance measurement.

Unknown quantities

Says Westinghouse's Mr. O'Shea: "It's not so much that a company looks just at dollar signs. The main difference is that most companies can quantify their performance. The plant can count how many widgets it produced, or how many cars it made."

"The government has a lot of trouble quantifying what it does, except for some agencies like Internal Revenue, which can count the amount of money it took in, or the number of income tax returns it handled."

"But I don't think the big problem is that government and business are entirely different. Government is a service industry and a growing segment of private business is, too."

"However, government can do user analyses, or user studies, to find out if it's making people happier or more productive—or whatever the bureau's goal is."

"There has to be a measurement. There should be accountability in government—as well as in industry. And in many instances, there is, from what I can see."

"Congress certainly makes itself—and its wishes—known."

"So government faces some of the disciplines that we do in industry, though not all. Certainly, there are two yardsticks that should be applied to a government bureau:

"One, is it doing something that's necessary?"

"Two, is it doing it effectively?"

What, interchange executives were asked, did they miss most when they went from business to government?

Mostly, they replied, the lack of easy access to higher authority, and the inability to act quickly on their own.

What was most attractive about stepping into the shoes of a government manager?

"Being part of Washington, being where it's at," says American Airlines' Mr. Flanagan. "Make no mistake, there's where the action is."

END



PRESIDENT'S COMMISSION ON PERSONNEL INTERCHANGE

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NOMINATION INSTRUCTIONS

Purpose and Goals

The Executive Interchange Program is an effort to:

- o Foster a better understanding, relationship and cooperative action between business and Government by exchanging high-talented/high-potential executives for one-to two-year periods.
- o Bring innovative and effective management practices from one sector to the other.
- o Open both sectors to a broader perspective and fresh thinking on problems and programs.
- o Develop a cadre of business executives with Government experience who could be called upon for high appointive service in future years.

Eligibility Requirements

Men and women from mid-career levels of private business or Federal Service are eligible for this program provided they are nominated by their company chief executive or Federal agency head.

The program is open to executives who:

- o Have a record of proven management abilities--on the job accomplishments and a history of increased responsibility and salary.
- o Have high intellectual capacity and superior educational achievement.
- o Are recognized as potential top executives and have a broad capacity for leadership.
- o Are in their late twenties to middle thirties.
- o Receive annual cash compensation in the range of \$25,000 to \$35,000 a year.
- o Are citizens of the United States.

Matching Man to Position

The nature of this program requires careful matching of executive and position. Within the limitations of suitable assignments, nominees will be placed in the most appropriate positions. It is possible that some of the nominated candidates will not be participants. The lack of a suitable assignment for nominated candidates should not be interpreted adversely by the nominee or nominating organization.

Nomination

Nominations should be directed to the:

Executive Office
President's Commission on
Personnel Interchange
1900 E Street, N. W.
Washington, D. C. 20415

Selection Procedures

February-March	Formal invitation by the Commission calling for nominations for positions and candidates.
April	Review of nominations, interviews and tentative selection of applicants by companies or agencies.
May-June	Final designation of Interchange Executives.
July-August	Beginning of Interchange Assignment.